

CORNERSTONE STRATEGIC VALUE FUND INC/ NEW
Form N-Q
November 29, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05150

Cornerstone Strategic Value Fund, Inc.

(Exact name of registrant as specified in charter)

383 Madison Avenue, New York, NY 10179

(Address of principal executive offices) (Zip code)

Jodi Levine

Cornerstone Strategic Value Fund, Inc., 383 Madison Avenue, New York, NY 10179

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 272-3550

Date of fiscal year end: December 31, 2005

Date of reporting period: July 1, 2005 through September 30, 2005

ITEM 1: SCHEDULE OF INVESTMENTS

CORNERSTONE STRATEGIC VALUE FUND, INC.

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

SCHEDULE OF INVESTMENTS - SEPTEMBER 30, 2005 (UNAUDITED)

DESCRIPTION	NO. OF SHARES	VALUE
EQUITY SECURITIES - 99.45%		
CLOSED-END DOMESTIC FUNDS - 2.17%		
Adams Express Co.	49,500	\$ 649,440
General American Investors Company, Inc. (a)	3,000	104,610
Tri-Continental Corp.	77,000	1,406,020
Zweig Fund, Inc. (The) (a)	176,600	939,512

		3,099,582

CONSUMER DISCRETIONARY - 11.34%		
Acco Brands Corporation +	235	6,632
Bed Bath & Beyond Inc. + (a)	4,200	168,756
Best Buy Co., Inc. (a)	7,125	310,151
Carnival Corp. (a)	11,800	589,764
Cendant Corp.	19,000	392,160
Circuit City Stores, Inc. (a)	1,000	17,160
Clear Channel Communications, Inc.	8,800	289,432
Comcast Corp., Class A +	31,537	926,557
Costco Wholesale Corp.	6,500	280,085
CVS Corp.	5,000	145,050
Eastman Kodak Co.	1,400	34,062
Federated Department Stores, Inc.	2,526	168,914
Ford Motor Company	26,300	259,318
Fortune Brands, Inc. (a)	1,000	81,330
Furniture Brands International, Inc.	29,200	526,476
Gannett Co., Inc.	2,000	137,660
Gap, Inc. (The) (a)	12,200	212,646
General Motors Corp. (a)	6,500	198,965
Gildan Activewear Inc., Class A + (a)	35,700	1,364,811
Goodyear Tire & Rubber Company (The) +	4,500	70,155
Harley-Davidson, Inc. (a)	4,400	213,136
Hilton Hotels Corp.	3,200	71,424
Home Depot, Inc. (The)	30,600	1,167,084
J.C. Penney Company, Inc.	4,500	213,390
Kohl's Corp. + (a)	5,000	250,900
Lowe's Companies, Inc.	11,200	721,280
Marriott International, Inc., Class A	2,100	132,300
Mattel, Inc. (a)	5,500	91,740
McDonald's Corp. (a)	17,600	589,424
Monsanto Co.	580	36,395
News Corporation, Class A	30,000	467,700
NIKE, Inc., Class B	2,300	187,864
Omnicom Group Inc.	4,100	342,883
Reebok International Ltd.	1,500	84,855
Rockwell Automation, Inc.	2,500	132,250
Sears Holdings Corp. +	503	62,583
Staples, Inc.	10,800	230,256

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

Starbucks Corp. +	5,400	270,540
Target Corporation	11,800	612,774
Time Warner Inc.	64,000	1,159,040
TJX Companies, Inc. (The)	7,000	143,360
United Natural Foods, Inc. +	34,000	1,202,240
Viacom Inc., non-voting Class B	23,900	788,939
Walt Disney Co. (The)	29,200	704,596
Yum! Brands, Inc.	3,000	145,230

		16,202,267

CONSUMER STAPLES - 10.39%		
Altria Group, Inc.	29,300	2,159,703
Anheuser-Busch Companies, Inc.	16,700	718,768
Archer Daniels Midland Company	5,460	134,644
Campbell Soup Company	2,000	59,500
Coca-Cola Co. (The)	32,500	1,403,675
Coca-Cola Enterprises Inc.	6,500	126,750
Colgate-Palmolive Company	11,100	585,969
ConAgra Foods, Inc. (a)	4,400	108,900
General Mills, Inc.	9,500	457,900
Gillette Company (The)	16,100	937,020
H.J. Heinz Co.	6,600	241,164
Kimberly-Clark Corporation (a)	6,900	410,757
Kroger Co. (The) +	4,800	98,832
Pepsi Bottling Group, Inc. (The)	4,000	114,200
PepsiCo, Inc.	24,800	1,406,408
Procter & Gamble Co. (The)	37,600	2,235,696
Sara Lee Corp.	11,500	217,925
Sysco Corp.	5,800	181,946
Walgreen Co. (a)	14,300	621,335
Wal-Mart Stores, Inc.	59,800	2,620,436

		14,841,528

ENERGY - 10.04%		
Anadarko Petroleum Corp. (a)	5,900	564,925
Baker Hughes Inc.	8,100	483,408
CenterPoint Energy, Inc.	3,900	57,993
ChevronTexaco Corp.	27,532	1,782,146
ConocoPhillips	17,974	1,256,562
Exxon Mobil Corp.	84,000	5,337,360
FMC Technologies, Inc. + (a)	35,600	1,499,116
Marathon Oil Corp.	7,500	516,975
Occidental Petroleum Corp.	8,000	683,440
Reliant Energy Inc. +	1,104	17,046
Schlumberger Ltd.	11,000	928,180
Western Gas Resources, Inc. (a)	23,800	1,219,274

		14,346,425

FINANCIALS - 18.54%		
Aetna Inc.	6,000	516,840
Affiliated Managers Group, Inc. +	3,300	238,986
AFLAC Inc.	7,000	317,100

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

Allstate Corp. (The)	9,300	514,197
American Express Company	15,600	896,064
American International Group, Inc.	37,531	2,325,421
AONCorporation	4,900	157,192
Bank of America Corp.	55,616	2,341,434
Bank of New York Co., Inc. (The)	8,400	247,044
Charles Schwab Corporation (The)	12,000	173,160
Citigroup Inc.	74,300	3,382,136
Fannie Mae	13,000	582,660
Fifth Third Bancorp	9,000	330,570
First Marblehead Corp. (The) (a)	18,700	474,980
Franklin Resources, Inc. (a)	3,700	310,652
Freddie Mac	14,500	818,670
Goldman Sachs Group, Inc. (The)	7,300	887,534
Hartford Financial Services Group, Inc. (The)	6,000	463,020
JPMorgan Chase & Co.	48,332	1,639,905
Lehman Brothers Holding Inc.	3,600	419,328
Manulife Financial Corp. (a)	2,963	157,987
Marsh & McLennan Companies, Inc.	10,100	306,939
MBNA Corp. (a)	20,600	507,584
Merrill Lynch & Co., Inc.	10,700	656,445
MetLife, Inc.	10,200	508,266
Morgan Stanley	15,500	836,070
National City Corp. (a)	9,700	324,368
Northern Trust Corp. (a)	3,500	176,925
Piper Jaffray Companies, Inc. +	104	3,105
PNC Financial Services Group, Inc.	4,100	237,882
Prudential Financial, Inc.	8,200	553,992
St. Paul Travelers Companies, Inc. (The)	9,476	425,188
State Street Corp.	3,500	171,220
SunTrust Banks, Inc.	7,600	527,820
U.S. Bancorp (a)	28,401	797,500
UnumProvident Corp.	8,100	166,050
Wachovia Corp.	22,600	1,075,534
Washington Mutual, Inc.	15,550	609,871
Wells Fargo & Co.	24,200	1,417,394

26,497,033

HEALTHCARE - 11.56%

Abbott Laboratories	21,000	890,400
Amgen Inc. + (a)	18,900	1,505,763
Becton, Dickinson & Co. (a)	3,900	204,477
Biogen Idec Inc. +	3,000	118,440
Boston Scientific Corp. +	12,300	287,451
Bristol-Myers Squibb Co.	30,500	733,830
Cardinal Health, Inc. (a)	5,450	345,748
Caremark Rx, Inc. +	6,500	324,545
Cooper Companies, Inc. (The)	7,200	551,592
Edwards Lifesciences Corp. +	15,500	688,355
Eli Lilly & Co.	14,500	776,040
Guidant Corp.	6,400	440,896

-4-

HCA, Inc.	3,500	167,720
Hospira, Inc. +	700	28,679
Johnson & Johnson	40,900	2,588,152

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

McKesson Corp.	2,300	109,135
Medco Health Solutions, Inc. +	1,687	92,498
Medtronic, Inc. (a)	14,500	777,490
Merck & Co. Inc.	30,500	829,905
Pfizer Inc. (a)	99,660	2,488,510
Schering-Plough Corp. (a)	17,000	357,850
Tenet Healthcare Corp. +	2,250	25,268
United Health Group Inc.	23,000	1,292,600
Wyeth	19,200	888,384

		16,513,728

INDUSTRIALS - 10.56%

3M Co.	10,400	762,944
Automatic Data Processing, Inc.	4,900	210,896
Boeing Company (The)	11,700	795,015
Caterpillar Inc.	11,800	693,250
CSX Corp.	1,000	46,480
Emerson Electric Co.	8,500	610,300
FedEx Corp. (a)	4,500	392,085
General Dynamics Corp. (a)	3,100	370,605
General Electric Co.	141,700	4,771,039
Heartland Express, Inc.	10,435	212,248
Honeywell International Inc.	12,500	468,750
Illinois Tool Works Inc.	2,400	197,592
IMS Health Inc.	1,400	35,238
Lockheed Martin Corp.	4,000	244,160
Masco Corp. (a)	4,200	128,856
Northrop Grumman Corp.	5,000	271,750
Paychex, Inc. (a)	4,200	155,736
PHH Corp. +	700	19,222
Shuffle Master, Inc. + (a)	24,300	642,249
Southwest Airlines Co.	6,450	95,782
Transocean Inc. +	2,500	153,275
Tyco International Ltd.	33,397	930,106
Union Pacific Corp.	2,000	143,400
United Parcel Service, Inc., Class B	16,300	1,126,819
United Technologies Corp.	14,400	746,496
Waste Management, Inc.	8,200	234,602
Yellow Roadway Corp. + (a)	15,191	629,211

		15,088,106

INFORMATION TECHNOLOGY - 14.65%

Adobe Systems Inc. +	2,200	65,670
Altera Corp. +	3,400	64,974
Analog Devices, Inc. (a)	2,700	100,278
Apple Computer, Inc. +	3,000	160,830
Applied Materials, Inc.	23,800	403,648
Cisco Systems, Inc. +	96,400	1,728,452
Corning Inc. +	17,000	328,610

-5-

Dell Inc. +	29,700	1,015,740
eBay, Inc. +	19,000	782,800
Electronic Arts Inc. +	2,000	113,780

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

Electronic Data Systems Corp.	10,000	224,400
EMC Corp. + (a)	212,648	2,751,665
Fairchild Semiconductor International, Inc. +	60,300	896,058
First Data Corporation (a)	7,324	292,960
Freescale Semiconductor Inc., Class B +	1,512	35,653
Hewlett-Packard Co.	27,900	814,680
Intel Corp. (a)	82,500	2,033,625
International Business Machines Corp.	21,000	1,684,620
Linear Technology Corp.	2,500	93,975
Lucent Technologies Inc. + (a)	10,700	34,775
Maxim Integrated Products, Inc.	2,300	98,095
Micron Technology, Inc. + (a)	2,500	33,250
Microsoft Corp. (a)	142,100	3,656,233
Motorola, Inc.	34,700	766,523
Oracle Corp. +	46,100	571,179
QUALCOMM Inc.	17,000	760,750
Sanmina-SCI Corp. + (a)	5,500	23,595
Siebel Systems, Inc.	2,500	25,825
Solelectron Corp. + (a)	3,000	11,730
Sun Microsystems, Inc. +	7,500	29,400
Symantec Corp. +	10,000	226,600
Texas Instruments Inc.	23,900	810,210
Yahoo! Inc. +	8,800	297,792

		20,938,375

MATERIALS - 4.30%		
Air Products & Chemicals, Inc.	1,000	55,140
Alcoa Inc.	14,200	346,764
Dow Chemical Co. (The)	15,400	641,718
E.I. du Pont de Nemours & Co. (a)	14,800	579,716
Georgia-Pacific Corporation	2,000	68,120
International Paper Co.	4,500	134,100
Joy Global Inc.	11,900	600,474
Neenah Paper, Inc.	209	6,124
Packaging Corporation of America	34,700	673,527
Peabody Energy Corp.	27,400	2,311,190
Praxair, Inc. (a)	3,000	143,790
Rohm & Haas Co. (a)	1,000	41,130
Steel Dynamics, Inc.	13,900	472,044
Weyerhaeuser Co.	1,000	68,750

		6,142,587

RETAIL - 0.21%		
Simon Property Group, Inc.	4,000	296,480

TELECOMMUNICATION SERVICES - 2.91%		
ALLTEL Corporation	4,000	260,440
AT&T Corp.	9,320	184,536
BellSouth Corporation (a)	23,000	604,900
SBC Communications Inc.	41,100	985,167
Sprint Corp.	38,446	914,246
Verizon Communications Inc.	37,100	1,212,799

		4,162,088

Edgar Filing: CORNERSTONE STRATEGIC VALUE FUND INC/ NEW - Form N-Q

-6-

UTILITIES - 2.78%		
American Electric Power Co., Inc.	2,700	107,190
Dominion Resources, Inc. (a)	7,100	611,594
Duke Energy Corp. (a)	13,300	387,961
Edison International (a)	4,000	189,120
Exelon Corp.	11,000	587,840
FirstEnergy Corp.	5,000	260,600
FPL Group, Inc.	7,000	333,200
Progress Energy, Inc.	3,500	156,625
Public Service Enterprises Group Inc.	1,000	64,360
Scottish Power plc, ADR	4,000	160,960
Southern Co. (The) (a)	11,900	425,544
TXU Corp.	4,700	530,536
Xcel Energy, Inc.	8,200	160,802

		3,976,332

TOTAL EQUITY SECURITIES		
(cost - \$124,989,030)		142,104,531
		=====
	PRINCIPAL	
	AMOUNT (000'S)	

SHORT-TERM INVESTMENTS - 4.35%		
REPURCHASE AGREEMENTS - 4.35%		
Bear, Stearns & Co. Inc.		
(Agreement dated 09/30/05 to be repurchased		
at \$4,513,157), 3.875%*, 10/03/05, collateralized		
by \$4,644,354 in U.S. Treasury STRIPS**	\$ 4,512	4,511,700
Bear, Stearns & Co. Inc.		
(Agreement dated 09/30/05 to be repurchased		
at \$896,151), 1.9375%*, 10/03/05, collateralized		
by \$924,020 in U.S. Treasury STRIPS**	896	896,006
Bear, Stearns & Co. Inc.		
(Agreement dated 09/30/05 to be repurchased		
at \$810,485), 3.25%, 10/03/05, collateralized		
by \$834,286 in U.S. Treasury STRIPS	810	810,265

TOTAL SHORT-TERM INVESTMENTS		
(cost - \$6,217,971)		6,217,971

TOTAL INVESTMENTS - 103.80%		
(cost - \$131,207,001)		148,322,502

LIABILITIES IN EXCESS OF OTHER ASSETS - (3.80)%		
		(5,425,693)

NET ASSETS - 100.00%		
		\$ 142,896,809
		=====

-7-

Federal Income Tax Cost - At September 30, 2005, the identified cost for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$131,207,001, \$24,738,010, \$(7,622,509) and \$17,115,501, respectively.

Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the Fund's annual report previously filed with the Securities and Exchange Commission on the Form N-CSR.

Other information regarding the Fund is available in the Fund's most recent annual report. This information is also available to registered shareholders by calling (800) 937-5449. For general inquiries, please call (212) 272-3550. This information is also available on the website of the Securities and Exchange Commission - <http://www.sec.gov>.

-8-

ITEM 2: CONTROLS AND PROCEDURES

(a) As of a date within 90 days from the filing date of this report, the principal executive officer and principal financial officer concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")), were effective based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the Act and Rules 13a-15(b) or 15d-15(b) under the Securities and Exchange Act of 1934.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3: EXHIBITS

1. The certifications of the registrant as required by Rule 30a-2(a) under the Act are exhibits to this report.

-9-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cornerstone Strategic Value Fund, Inc.

/s/ Ralph W. Bradshaw

Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: November 29, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Ralph W. Bradshaw

Name: Ralph W. Bradshaw
Title: Principal Executive Officer
Date: November 29, 2005

/s/ Jodi B. Levine

Name: Jodi B. Levine
Title: Principal Financial Officer (Treasurer)
Date: November 29, 2005

-10-